

# What co-operative national body serving whose interests and how?

# David Griffiths 4 February 2012

The purpose of this paper is to focus on facts – rather than opinion. The emergence of a national peak body that effectively represents co-operatives should be based on a realistic analysis of choices and conseque4nces. Nonetheless, this does not preclude the choice of either seeing things as they are asking why or dreaming of things that never were and asking why not.

There have been three recent initiatives regarding a national body to represent co-operatives.

First, there has been discussion between CFV and CFNSW on strengthening or replacing Co-operatives Australia as a peak body for co-operatives. There has been an informal agreement between the respective Chairman on moving forward together towards a national peak body initially through joint activities but this not progressed due to complicating factors within CFNSW. The Co-operatives Victoria board has supported this initiative in principle.

Second, through Social Business Australia and the IYC National Steering Committee there has been discussion of a proposed Social Business Council which would represent co-operatives, credit unions and mutuals in the same way as the Business Council of Australia. This is not surprising given the purpose of Social Business Australia and its influence on the IYC Standing Committee — an influence dictated by funding generosity and a clear leadership on a way forward. Following a Summit of Chairs & CEOs of Co-operatives, Credit Unions, Building Societies & Mutuals in Canberra on 17 August 2011, it was reported that a major outcome of the day was a near unanimous decision that we need to explore immediately the best way to form a National Peak Body for the Social Business Sector, which could

occupy a similar position in the political landscape as the Business Council of Australia. It was believed by a number of speakers that this is the only way that our voices will be heard by governments, universities, professional advisory practitioners, the media and the general public, and to gain acceptance for us as being a useful form of corporate structure alongside the "investor-owned corporation" model which is so highly regarded by all of those aforementioned groups. The Steering Committee had anticipated that this may well have been a "Legacy Outcome" of the 2012 activities, but a number of summit delegates expressed the view that it should not wait till then, but should happen as soon as possible, and this was agreed to.

Third, Co-operatives Australia at a meeting on the 23 September 2011 agreed to investigate over the coming 12 months how the co-operative sector can be better positioned in the future to promote and advance co-operative enterprises based on the experience and outcomes of IYC 2012 and that the proposed November 2011 summit of co-operative and mutual business leaders should be deferred until the second half of 2012 to allow proper investigation of all options.

Despite the reservations of Co-operatives Australia, the 2<sup>nd</sup> Summit did proceed on the 22 November 2012 but did not advance the proposal for a Social Business Council. No report was presented as originally determined by the 1<sup>st</sup> Summit on 17 August 2011. There was discussion on the concept and agreement that the State-based Co-operative Federations should be more engaged in the process.

Up to the 2<sup>nd</sup> Summit, a policy and practice of the IYC 2012 National Committee was to exclude individual State Federation membership and when the Executive Officer of the CFQ was nominated this was rebuffed by the then Chair of Social Business Australia and the IYC National Steering Committee, Trent Bartlett. The Federations were advised that the only acceptable nominees would be CEOs and Chairs of co-operatives. The Federations were seen to represent co-operatives, and not all large co-operatives, and the aim of Social Business Australia and its consequential dependent IYC National Committee was to appeal directly to CFEOs and Chaqirs.

A factor in the IYC National Committee ignoring the request of Co-operatives Australia is that the Co-operatives Federations are a minority of one on the Committee – the Co-operatives Australia Chairman Tony O'Shea. There was also no opportunity for the Chairman to discuss this at a Committee meeting as the Committee's next meeting was on the 23 November 2011 – after the 22 November 2011 Summit – and there was no support for a meeting before the Summit.

It was not clear from the report of the 1<sup>st</sup> Summit on the 17 August 2011 reference to the Business Council of Australia was to an effective national peak body primarily or one that replicated the membership criteria used by the Business Council of Australia i.e. CEOs. If the Social Business Council is to be based on the structure of the Business Council of Australia, then, the membership would comprise only of the CEO of co-operatives.

The Business Council CEOs only come from large companies and if this was also embraced by the Social Business Council, then, this would either redefine the nature of large to establish an adequate number (e.g. the top 100 co-operatives, credit unions and mutual's) of members or restrict the membership to a small number of co-operatives (e.g. the top 20 or 50 co-operatives, credit unions and mutuals)

A Social Business Council comprising CEOs could be an effective breakthrough in national co-operative representation as is claimed and may or may not be appropriate and/or necessary for Australia but is not the model for national representation of the co-operative movement adopted in Canada, the USA and the UK. The members of these se national peak bodies rare co-operatives.

While other Federations have not been pushing for work to begin on how co-operatives could be better positioned in the future, the primary responsibility for this lack of progress lies with Co-operatives Victoria which provides the Chairman and Secretary for Co-operatives Australia.

A modified version of this paper could perhaps provide the basis for the Federations to meet in March 2012,

## **Attachment**

Social Business Australia
Co-operatives Australia
IYC National Steering Committee
Business Council of Australia
National Co-operative Business Association (USA)
Co-operatives UK
Canadian Co-operatives Association

## Social Business Australia

From the SBA web site <a href="http://www.socialbusiness.coop">http://www.socialbusiness.coop</a>

Social Business Australia (SBA) was formed in 2009 by a group of like-minded social businesses, to assist Australian social businesses to develop and grow in the competitive environment of the mainstream economy.

Sometimes described as social enterprise, social businesses have social objectives at their core, and diverse ownership structures. The businesses we support are different to not-for-profit and for profit types of enterprise - the former do not make profits and the latter use profits to reward capital.

SBA activities raise the profile of a range of business forms such as co-operatives, employee-owned enterprises, and social entrepreneurs trading for the purpose of creating social value.

SBA wants to help increase the number of social businesses operating successfully in the Australian economy and to educate the wider public about a different, more ethical and sustainable way of doing business.

SBA has strong links with the national and international social business movement. We provide a platform for these developments to be shared with the Australian business community, the public and the media and we encourage debate and discussion on the merits of moving to a more values-based mixed economy.

SBA wants social businesses to have access to the resources and support they need to scale up and trade successfully in the real economy.

SBA creates opportunities for sharing knowledge, skills and best practice, through wider communication, industry talks, international speakers, case studies and advocacy.

## SBA supports:

## Access to training and education for social business

To get established and grow, social businesses need access to a range of learning opportunities, particularly in the technical areas critical to their commercial success including - market analysis, investment strategies, ownership structures, social impact assessment, governance, organisational development and membership planning.

## · Greater capital investment in social business

To encourage more enterprises to take up the social business option, SBA supports initiatives to grow the market for greater capital investment in businesses that have social purpose at their core. SBA encourages finance providers, such as credit unions, mutuals, CDFIs (community development finance institutions) and industry super funds to invest in social forms of business.

## • Better industry profile

Social businesses can grow their competitive advantage in the market by successfully communicating their differences. SBA activities raise the profile of all types of social business and help communicate the social business advantage.

The founding members of Social Business Australia are:

## **Trent Bartlett**

As CEO of one of Australia's leading social businesses, Capricorn Society Ltd, Trent understands the commercial and ethical imperatives of growing a sustainable social enterprise in the global market. Trent is proud to be associated with an organisation that aims to deliver the foundation skills and technical services to realise the real growth of social business in the mainstream Australian economy. trent.bartlett@socialbusiness.coop

## **Suzanne Henderson**

Suzanne has delivered strategic marketing and media services to government, the third sector and education clients for the past three decades. As founding Editor of Community Cooperative Connections (CCC eNews) Australia's online newsletter combining the co-operative, community, and not for profit sectors, and as an associate-editor of the International Co-operative Alliance (ICA) Digest, Suzanne has reported on co-operative and social enterprise development around the world for over ten years. <a href="suzanne.henderson@socialbusiness.coop">suzanne.henderson@socialbusiness.coop</a>

## **Alan Greig**

Alan has advocated for employee and community ownership solutions since the 1980s. He has been a member of the Management Committee of the Australian Employee Ownership Association (AEOA) since its inception in 1986 (www.aeoa.org.au). The AEOA has set up an Employee Buyout Centre - the Australian Employee Buyout Centre (www.aebc.org.au) which is funded by the Federal Government to support and advise on employee buyout strategies for saving jobs in distressed businesses. Alan is a director of the Centre.

alan.greig@socialbusiness.coop

## **Melina Morrison**

Melina is Associate-Editor of the members' Digest for the International Co-operative Alliance (ICA) - the global peak for co-operative businesses. She has written on the topic of social business for the past eight years for industry publications and co-op organisations. As an Associate of Sommerson Communications (Third Sector communication specialists) she has

wide experience engaging the media in ideas around building social capital through profitable social businesses. melina.morrison@socialbusiness.coop

# **Co-operatives Australia**

CA is an unincorporated body with no resources of its own. CA has one representative on the IYC Steering Committee The ability of CA to do anything depends on what financial and other support individual federations are willing to provide Ca and there is a disparity in the resource capacity of individual federations. Nonetheless, the individual federations did contribute to transferring the australia.coop web site from Co-operatives Victoria and contributing to the ongoing maintenance costs. Co-operatives Australia

## **Public Policy and Co-operatives**

This is the first statement released by Co-operatives Australia in April 2009. Co-operatives Australia has published this paper to demonstrate the economic and social value that can be delivered by co-operative businesses and the need for public policy to incorporate the co-operative option. (April 2009)

## Australia's Top 100 Co-operatives, Credit Unions and Mutuals

Co-operatives Australia has published a 2nd top 100 list of co-operatives, credit unions and mutuals by annual turnover. The 2nd list also includes member and employee numbers. The list demonstrates the economic and social impact of the top 100. Co-operatives Australia expressly disclaims any warranties or representations, express or implied, of any kind as to the accuracy and completeness of the list and invites any of the entities listed to supply evidence to support any requested corrections. (September 2010) For a copy of the 1st list published in June 2009. Australia's Top 100 Co-operatives, Credit Unions and Mutuals

## Co-operative Education

Co-operatives Australia has published this paper to affirm the importance of co-operative education to the co-operative business model e.g. agricultural, child care, commodity, fishing, housing and retail co-operatives. (March 2010)

### Valuing Co-operation

Co-operatives Australia has published this paper to affirm the importance of co-operatives recognising that demutualisation is not inevitable; that a subsequent loss of member ownership and control has significant consequences; that there are alternative strategic and structural choices, and that balanced information is the prerequisite to informed choice. (April 2010)

## International Year of Co-operatives 2012

Co-operatives Australia has published a new statement to affirm its commitment to the 2012 International Year of Co-operatives... The official theme of IYC 2012 is: Co-operative enterprises build a better world. The statement covers Co-operatives as Value Creating Business Enterprises, Co-operatives and IYC 2012, Strategic Priorities for IYC 2012, IYC 2012 Steering Committee, Planning for IYC 2012 and Who is Co-operatives Australia. The statement can be downloaded (February 2011)

# **IYC National Steering Committee**

The IYC National Steering Committee was formed in May 2010. It's mission statement and its vision follows:

UN International year of Co-operatives Australian National Steering Committee

Mission statement

To engage and involve the broad range of social businesses operating in Australia today, to coordinate a national response to the opportunity presented by the United Nations declared International Year Co-operatives 2012.

Vision

To harness Australia's potential by involving more Australians in fair, ethical, and sustainable trading through community owned businesses that enhance the economic and social wellbeing of members and their communities.

## **IYC National Steering Committee Members**

Patron: Bob Debus, Former Federal Minister for Home Affairs

Chair: Trent Bartlett, CEO Capricorn Society Ltd

Belinda Drew, CEO, Foresters Community Finance

Alan Greig, President, Australian Employee Ownership Association

David Griffiths, Chair and Secretary, Co-operatives Australia

Suzanne Henderson, Director, Social Business Australia

Martin May, Director, Hepburn Wind

Melina Morrison, Director, Social Business Australia

Daniel Newlan, Senior Adviser, Policy and Public Affairs, Abacus -

**Australian Mutuals** 

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Roger Nicoll, Director, West Belconnen Health Co-operative

Richard O'Leary, CEO, Macleay Regional Co-operative Ltd

Neville Parsons, CEO, Holiday Coast Credit Union

Peter Tregilgas, EO, Regional Development Australia, Mid North

**Coast Region** 

State Co-operative Federations have been invited to nominate representatives to the IYC National Steering Committee.

## **National IYC Steering Committee**

## **Milestones**

## March 2010

Social Business Australia launched at Australian

Parliament House with an address by Dame Pauline Green, President, International Co-operative Alliance

## May 2010

**National Steering Committee formed** 

## Australia Day 2011

National Call to Action launch - Info packs mailed to

every registered co-operative business and credit

union in Australia

#### January 2011

NFP holding company IYC 2012 Secretariat

incorporated

#### March 2011

Formal UN recognition of Australia's national steering

committee as the national coordinating body for IYC

2012 http://social.un.org/coopsyear/

### **Business Council of Australia**

## About Us

A unique national institution, the BCA provides a forum for Australian business leaders to contribute directly to public policy debates. We have helped to initiate and shape the key economic and business reform debates that have underpinned Australia's economic resurgence.

This section contains information about our structure, policy agenda and policymaking process, and about our membership, board, task forces and staff.

#### **Our Structure**

A simple operating structure helps the BCA maintain a highly prioritised, strategic approach to key issues. [The Business Council of Australia (BCA) is an association of CEOs of 100 of Australia's leading corporations, which together have a combined national workforce of almost one million people.

The BCA was established in 1983 to provide a forum for Australian business leadership to contribute directly to public policy debates in order to build a strong economy, a more prosperous society and ensure Australia remains the best place in which to live, to learn, to work and do business.

The BCA has a simple, well-focused operating structure and maintains a highly prioritised, strategic approach to key issues

The council, comprising all members of the BCA, is the pivotal forum. The <u>board</u>, <u>task forces</u> (which are focused on advancing specific policy areas) and <u>secretariat</u> also have key roles in developing and advancing BCA policy positions and recommendations.

The council meets five times per year. At meetings, members share perspectives, review critical issues, determine policy approaches for the task forces and secretariat to advance, and endorse policy positions.

The secretariat comprises the chief executive, the deputy chief executive, the director of strategic communications and advocacy, and four policy directors to support, coordinate and facilitate the work of each task force, as well as communicate the policy positions and other work of the BCA to key stakeholders, including governments and politicians, policymakers and the broader community.

Download visual guides to our structure and policy agenda, and our policymaking process, here.

more]

- Our structure and policy agenda: a visual guide
- Our policymaking process: a visual guide

#### **Our Board**

The board proposes the BCA policy agenda and oversees the work of the BCA Secretariat and task forces. [more]

#### **Our Policy Committees**

Our policymaking committees work across four key areas of public policy. [more]

#### **Our Members**

Our membership is made up of the CEOs of 100 of Australia's top companies, representing a range of industry sectors.

Our membership is made up of the CEOs of 100 of Australia's top companies.

Members represent a range of sectors including mining, retail, manufacturing, infrastructure, information technology, financial services and banking, energy, professional services, transport and telecommunications.

**AAPT Limited** 

ABB Australia Pty Limited

Accenture Australia

Adelaide Brighton Ltd

**AGL Energy Limited** 

Agrium Asia Pacific Limited

Alcatel-Lucent Australia

Alcoa of Australia

Allens Arthur Robinson

Alumina Limited

**Amcor Limited** 

ANZ

**Asciano Limited** 

Ausgrid

Australia Post

Australian Foundation Investment Company Limited

Australian Unity

Bain & Company

Bank of America Merrill Lynch

Bendigo and Adelaide Bank Group

**BG** Group

**BHP Billiton** 

Blake Dawson

BlueScope Steel Limited

**BNP** Paribas

Boeing Australia and South Pacific

Boston Consulting Group, The

BP Australasia

**Brambles Limited** 

**Brickworks Limited** 

British American Tobacco Australasia

Bupa

Caltex Australia Limited

Capgemini Australia and New Zealand

Citi Australia and New Zealand

Clayton Utz

**Cochlear Limited** 

Commonwealth Bank of Australia

Corrs Chambers Westgarth

Credit Suisse (Australia) Ltd

CSC Australia Pty Ltd

<u>Deloitte</u>

Deutsche Bank AG

**Downer EDI Limited** 

Ernst & Young
ExxonMobil Australia Pty Ltd

Fletcher Building Limited

Fortescue Metals Group Limited

**FOXTEL Management Pty Ltd** 

Freehills

GE Australia and New Zealand

**GM Holden Ltd** 

Goldman Sachs Australia Pty Ltd

GPT Group, The

**GWA Group Limited** 

Hanson Australia

HSBC Bank Australia Limited

IBM Australia and New Zealand

Incitec Pivot

Insurance Australia Group

International Power Australia

Investec Bank (Australia) Limited

J.P. Morgan Australia and New Zealand

**KPMG** 

**Leighton Holdings Limited** 

Lend Lease

McDonald's Australia

McKinsey & Company

Macquarie Group Limited

Mallesons Stephen Jaques

Medibank Private Limited

**Metcash Limited** 

Microsoft Australia

Minerals and Metals Group

Minter Ellison

Mitsui & Co. (Australia) Ltd

Morgan Stanley Australia Limited

National Australia Bank Limited

Nufarm Limited

OneSteel Limited

Oracle Corporation Australia Pty Limited

Orica Limited

Origin Energy Limited

OZ Minerals

Perpetual Limited

**PwC** 

**Qantas Airways Limited** 

**REA Group** 

ResMed Limited

Rio Tinto Australia

Royal Bank of Scotland, The

Santos Limited

SAP Australia and New Zealand

Shell Australia Limited

Sinclair Knight Merz

SingTel Optus Pty Limited

SKILLED Group Limited

Stockland

Suncorp Group

Sydney Airport Corporation Limited

Tabcorp Holdings Limited

**Telstra Corporation Limited** 

Transfield Services
Transurban Group
UBS Australasia
UGL Limited
Virgin Australia
Visy
Washington H. Soul Pattinson and Company Limited
Wesfarmers Limited
Westpac Group, The
Woodside Energy Limited
Woolworths Limited
Xstrata Copper

#### [more]

#### **Our Staff**

Information about the Business Council of Australia CEO and its policy directors. [more]

National Co-operative Business association (USA)

#### **About Us**

The National Cooperative Business Association is the nation's oldest and largest national membership association, representing cooperatives of all types and in all industries. We are democratically organized and operate according to internationally recognized cooperative principles.

Our comprehensive programs helps co-ops strengthen their businesses so they can better serve their members and transform the global economy. These include:

- Education
- Co-op development
- Communications
- Public policy
- Member services
- International development

NCBA also provides a strong, unified voice on Capitol Hill, and diligently works with lawmakers to enact cooperative-friendly legislation.

NCBA offers a variety of programs and services to connect you to other co-ops; affording you many opportunities to develop partnerships that help attract and maintain your membership while growing your business.

NCBA membership is open to all cooperatives and associations of co-ops. Our member co-ops operate in the areas including agricultural supply and marketing, childcare, energy, food distribution, processing and retailing, financial services (credit unions), health care, housing, insurance, purchasing and shared services, and telecommunications.

- NCBA associate members offer goods and services to the cooperative sector.
- Our individual members support our legislative and business development work.

## Co-operatives UK

Co-operatives UK is the national trade body that campaigns for co-operation and works to promote, develop and unite co-operative enterprises.

We have a unique role as a trade association for co-operatives. We aim to bring together all those with a passion and interest in co-operative action.

We work to promote the co-operative alternative across many sectors of the economy from High Street consumer-owned co-operatives to pubs and football clubs, healthcare to agriculture, credit unions to community owned shops.

Together the co-operative economy is worth £33.2 billion and with 12.8 million members. Co-operatives are the largest membership movement in the country.

For co-operatives from £65 per year:

- Voting rights at Co-operatives UK general meetings, at elections and the opportunity to be elected to the Board of Directors;
- Tailored constitutional and governance advice;
- Free solicitors advice on any legal matter relating to your business;
- Advance notice on key policy developments affecting your business;
- Discounts on co-operative business services, including free business banking;
- Information and opportunities to be involved in the International Co-operative Alliance;
- Opportunities to influence and contribute to our campaigns.

## Canadian Co-operatives Association

#### **About CCA**

The Canadian Co-operative Association is a national association for co-operatives in Canada, representing more than nine million co-operative and credit union members from over 2,000 organizations. Individual co-op members are represented by CCA

either directly through their co-operative, through their provincial co-op associations or credit union central, or through sectoral organizations. CCA is itself a federally-incorporated co-operative, owned by its member organizations.

CCA members come from many sectors of the economy, including finance, insurance, agri-food and supply, wholesale and retail, housing, health and the service sector.

CCA's mission is three-fold. It:

- Promotes the co-operative model and profiles the economic and social contributions of co-operatives and credit unions;
- **Develops** co-operatives in Canada, and in over 40 countries, by securing an enabling and supportive legislative environment, and by securing or providing technical and financial resources to help emerging co-operatives; and
- Unites co-operatives from different industry sectors and regions of Canada around a common co-operative identity, a common sense of purpose, and a common voice to government.

CCA supports its members and the co-op sector through the provision of services in three core areas-development (Canadian and international), government affairs & public policy, and common table. CCA also works closely with its sister organization, the Conseil canadien de la coopération et de la mutualité, which represents the francophone co-operative sector.

The organization's strategic direction and leadership resides with an elected **board** of 13 directors. A summary of activities can be found in CCA's **annual reports**.

Members of the Canadian Co-operative Association represent virtually every sector of the economy.

#### **Consumer and Supply**

Arctic Co-operatives Limited
Calgary Co-operative Association Limited\*
Co-op Atlantic
Federated Co-operatives Limited
GROWMARK Inc.
Mountain Equipment Co-op
UFA Co-operative Limited
Ontario Natural Food Co-op

#### **Financial**

Atlantic Central
Arctic Co-operative Development Fund\*
Canadian Association of Mutual Insurance Companies\*\*
The Co-operators Group Limited
Concentra Financial Services Association
Central 1 Credit Union (BC region; Ontario region)
Credit Union Central Alberta Limited
Credit Union Central of Canada\*
Credit Union Central of Manitoba
The CUMIS Group
SaskCentral

## Agriculture

Farmers Co-operative Dairy Ltd.

Gay Lea Foods Co-operative Limited
Granny's Poultry Cooperative (Manitoba) Ltd
Northumberland Co-operative Limited
Organic Meadow
Scotsburn Co-operative Services Limited

#### **Provincial Co-op Associations**

Alberta Community & Co-operative Association
British Columbia Co-operative Association
Co-operative Enterprise Council of New Brunswick
Manitoba Cooperative Association
Newfoundland-Labrador Federation of Co-operatives
Nova Scotia Co-operative Council
Ontario Co-operative Association (OnCoop)
Prince Edward Island Co-operative Council
Saskatchewan Co-operative Association

#### Service

Alberta Federation of Rural Electrification Associations
Canadian Worker Co-operative Federation
Community Health Co-operative Federation Limited
Co-operative Housing Federation of Canada
CoopZone Developers' Network Co-operative
Federation of Alberta Gas Co-ops Ltd.

### Education

<u>Centre for Co-operative and Community -Based Economy, University of Victoria</u>\*\*

<u>Centre for the Study of Co-operatives, University of Saskatchewan</u>\*\*

<u>Master of Management, Co-operatives and Credit Unions, Saint Mary's University</u>\*\*